

State Treasurer Tate Reeves

Op-ed column

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State's bond indebtedness improving

Imagine my surprise on Friday morning to open the Clarion Ledger editorial page and learn of the growing debt burden on Mississippi taxpayers and the need to reverse that trend (editorial: "State's borrowing goes on"). After all, I spent eight months in 2003 telling the people of Mississippi that if they trusted me enough to elect me, I would work tirelessly to limit the growth of the state's debt.

Then I was reminded that some people would never allow the facts to get in the way of pushing for higher taxes on the hardworking people of our state. That notwithstanding, you deserve to know the facts of our accomplishments in this area over the last two years.

When I took office in January of 2004, the State of Mississippi had a total general obligation debt burden of \$3.192 billion. At the end of June 2005, it had fallen nearly \$150 million to \$3.066 billion. In fiscal year 2005, for the first time since 1987, we actually reduced the overall debt burden on Mississippi taxpayers. That is a fact.

It is true that many in the legislature continue to push for funding pet projects by borrowing on the state's credit card, and I agree that the total projects authorized this year were larger than I would have liked.

However, until the Executive Branch, which includes the State Bond Commission, the Governor, the Attorney General, and the State Treasurer, actually swipes that credit card, no new debt is issued. That is where great progress has been made over the last two years and four months.

We have implemented a proactive debt management strategy that more effectively manages our state's debt. We have reduced by hundreds of millions of dollars the unspent bond proceeds that were piling up interest costs before being spent. We successfully pushed for legislation that allows us to utilize interim financing for long term projects to increase the efficiency of our borrowing. We have utilized derivatives and hedging strategies to guard against the rising interest rates the nation is currently experiencing. Those are all facts.

We have accomplished these things while inheriting many commitments from the previous administration. We continue to adhere to the Ayers settlement. As part of it, Jackson State University broke ground on its new engineering building just last week. Construction on college campuses across our state continues. We funded the Highway 67 expansion in Biloxi. We have continued to meet our largest employer Northrop Grumman's timetable on their expansion. We have offered incentives to lure more and better paying jobs to great corporate partners like Baxter in Cleveland, SeverCorr in Columbus, Timtek in east Mississippi and the NASA Shared Services Center in Hancock County. In addition, we have funded the programs in Momentum Mississippi that will serve as catalysts for new jobs and higher incomes. Those are all facts.

Our national reputation for our debt management policies is improving. In January 2004, every man, woman, and child in our state owed \$1,207 to our creditors. Moody's latest report confirms that debt per capita has dropped to \$1,116- moving us from 9th to 16th among the states.

Our debt as a percentage of personal income has also declined from 5.4 percent to 4.8 percent, improving our ranking from 6th to 10th in the nation.

None of this is exciting material for a newspaper, but it is important to the long term fiscal health of our state, and more importantly, to our taxpayers' pocketbooks. Each of these accomplishments is directly tied to a philosophy of job creation with a proactive debt management strategy, setting priorities, and the discipline to achieve our goals.

With Governor Barbour's leadership, irresponsible financial trends have been reversed. Mississippi's taxpayers deserve to know facts.